

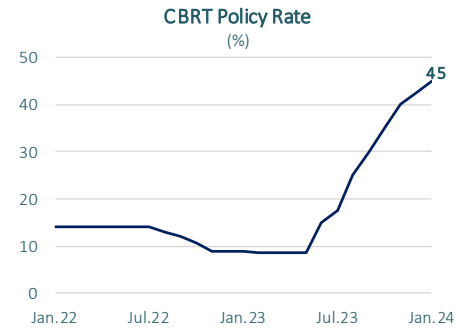
	19.Oca	26.Oca	Change		19.Oca	26.Oca	Change
BIST-100 Index	7.997	8.346	4,4 % ▲	EUR/USD	1,0897	1,0852	-0,4 % ▼
TRY 2 Year Benchmark Rate	42,36 %	43,21 %	85 bp ▲	USD/TRY	30,2017	30,2743	0,2 % ▲
Turkey 5-Year CDS Premium	320	313	-7 bp ▼	EUR/TRY	32,9071	32,8574	-0,2 % ▼
MSCI EM Equity Index	971	985	1,5 % ▲	Gold (USD/ounce)	2.029	2.018	-0,5 % ▼
US 10-Year Bond Rate	4,15 %	4,16 %	1 bp ▲	Brent Oil (USD/barrel)	78,6	83,6	6,4 % ▲

bp: basis point

Last week, CBRT raised its policy rate by 250 bps to 45% and announced that the monetary tightness required to establish the disinflation course is achieved. ECB, on the other hand, did not change its policy rate in line with expectations. US economy grew by 2.5% in 2023 and the US flash PMI data signaled that economic activity started the new year better than expectations. This week, markets will focus on the Fed meeting and US non-farm payrolls. In Türkiye, foreign trade figures, tourism revenues and ICI manufacturing industry PMI data will be announced.

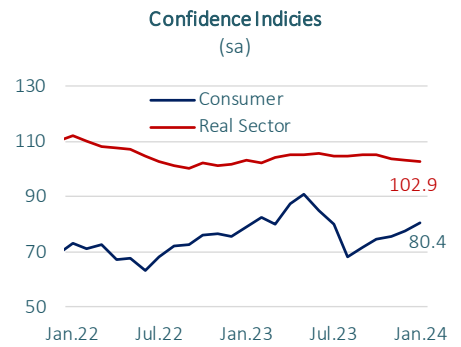
CBRT raised the policy rate by 250 basis points in line with expectations.

In its first meeting of 2024, CBRT raised the policy rate by 250 bps to 45% in line with market expectations. In the statement published after the meeting, it was stated that taking into account the lagged effects of monetary tightening, the required monetary tightness to establish disinflation course has been reached and that level would be maintained as long as necessary. It was also stated that the current level of the policy rate would be maintained until the underlying trend of monthly inflation declines significantly and inflation expectations converge to the projected forecast range. In case of significant and persistent risks to the inflation outlook, monetary tightness would be reassessed.



Consumer confidence index increased for the fifth month in a row.

Seasonally adjusted consumer confidence index rose by 3.9% mom to 80.4 in January. The index, which has been on an upward trend since September 2023, reached to the highest level of the last 7 months. Analyzing the sub-indices of the index, it was observed that expectations for household financial situation and general economic situation in the next 12 months increased by 4.5% and 1.8%, respectively, compared to the previous month.

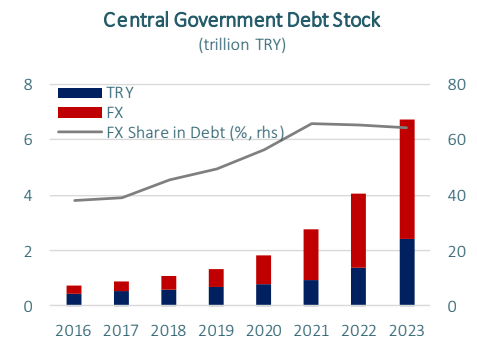


Real sector confidence index decreased to 102.9 in January.

According to seasonally adjusted figures, real sector confidence index decreased on a monthly basis by 0.5 pts to 102.9 in January. Among the sectoral confidence indices services and construction confidence indices increased by 4% and 3.3%, respectively, while retail trade confidence index declined by 1% in this period. In January, according to seasonally adjusted data, manufacturing industry capacity utilization rate decreased by 0.9 pts compared to the previous month to 76.4%.

Central government debt stock was realized as 6.7 trillion TRY in December.

Central government debt stock expanded annually by 66.6% to 6.7 trillion TRY at the end of 2023. As of December 2023, 4.3 trillion TRY of the debt stock was composed of FX-denominated debt and 2.4 trillion TRY of TL-denominated debt. As of end-2023, the share of FX-denominated debt in gross debt stock was 64.2%.



Source: CBRT, TurkStat, MoTF, Datastream

US data gave positive signals about economic activity.

According to flash data, annualized US GDP growth in the fourth quarter of 2023 came in at 3.3% yoy, and beat the market expectations. Thus, the US economy grew by 2.5% in 2023. Flash manufacturing PMI data for January exceeded market expectations and rose to 50.3. The index, which reached its highest level since October 2022, signaled expansion in the manufacturing industry for the first time since June 2023. In January, services PMI also increased by 1.5 pts mom to 52.9, indicating that activity in the sector gained momentum.

Seasonally adjusted personal consumption expenditures (PCE) price index rose by 0.2% mom and 2.6% yoy in December, in line with market expectations. Core PCE inflation, the Fed's favorite inflation indicator, was realized as 0.2% mom and 2.9% yoy in this period.

ECB kept the policy rate unchanged.

ECB kept its policy rate unchanged in line with market expectations. In the statement, it was said that the underlying trend of inflation has improved and the past interest rate increases keep being transmitted forcefully into financing conditions. In the text, it was stated that the current interest rate level, if maintained for a sufficiently long duration, would make a substantial contribution in achieving the inflation target. Thus, ECB signaled that it is early to have easing steps in monetary policy.

Last week, the Bank of Japan kept its policy rate unchanged at -0.1% in line with expectations, while the People's Bank of China announced that it would lower the reserve requirement ratio for banks in early February to support economic activity.

PMI data in Euro Area remained below the threshold.

Flash manufacturing PMI data for January in the Euro Area rose by 2.2 pts mom to 46.6. In this period, flash services PMI decreased by 0.4 pts mom to 48.4. Thus, both data, which remained below the threshold of 50, signaled that the loss of activity in the sectors continued in the first month of 2024. Consumer confidence index in the Region also decreased by 1.1 pts mom in January. The index, which continued to remain below its long-term average, confirmed that negative expectations on the consumption side continued.

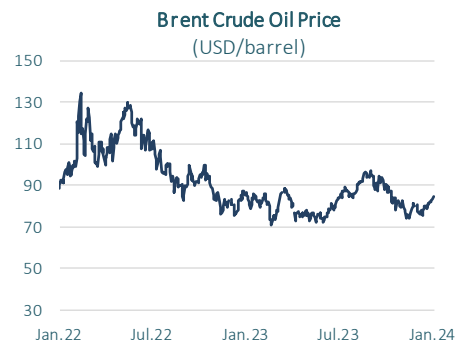
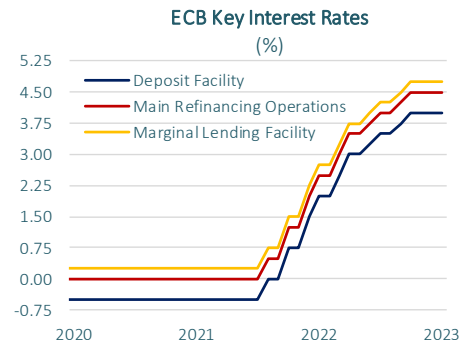
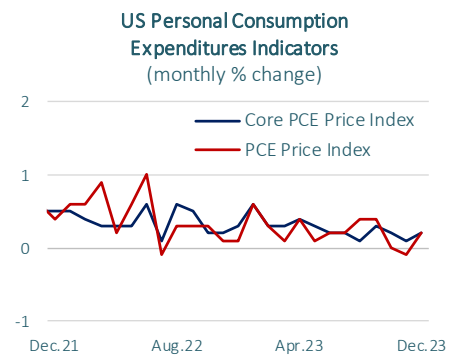
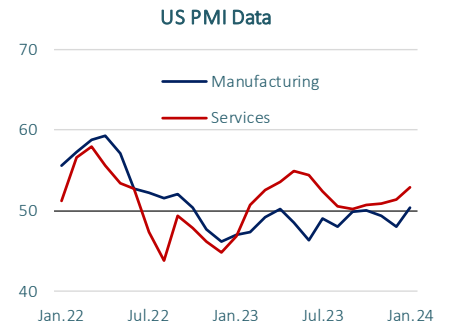
Financial markets...

US stock markets rose throughout the week, led by technology stocks. Last week, Brent crude oil prices surged by 6.4% to 83.6 USD per barrel in line with the rise in geopolitical tensions. After the attacks on US troops in Jordan at the weekend, oil prices started this week with an increase due to rising supply-side concerns. The price of gold ounce, which ended last week at 2,018 USD with a 0.5% weekly decline because of rising possibility of Fed may start cutting interest rates later, also started this week with gains.

In parallel to the positive sentiment in global markets, BIST-100 index rose by 4.4% to 8,346 last week. Türkiye's 5-year CDS risk premium decreased by 6 bps to 314 bps.

This week's agenda...

This week, markets will focus on Fed's policy rate decision, US non-farm payrolls data and IMF's World Economic Outlook Report update. In Türkiye, foreign trade figures, tourism revenues and ICI manufacturing PMI data will be announced.



Source: ECB, BOJ, PBOC, Datastream

Data Releases

		Period	Consensus	Prior
29 January	USA Dallas Fed Manufacturing Business Index	January	-	-9.3
30 January	TR Economic Confidence	January	-	96.4
	USA Consumer Confidence	January	115.0	110.7
	Euro Area Consumer Confidence, final	January	-16.1	-16.1
	Euro Area GDP Growth, flash, yoy	Q4	0.0%	0.0%
	IMF World Economic Outlook	2024 - 1	-	-
31 January	TR Tourism Revenues	Q4	-	20.2 billion USD
	TR Trade Balance	December	-	-5.9 billion USD
	TR Foreign Visitors, yoy	December	-	-1.0%
	Fed Meeting	January	5.25%-5.5%	5.25%-5.5%
	China NBS Manufacturing PMI	January	49.2	49.0
1 February	TR ICI Manufacturing PMI	January	-	47.4
	USA Manufacturing PMI, final	January	-	50.3
	USA ISM Manufacturing PMI	January	47.4	47.4
	Euro Area HCOB Manufacturing PMI, final	January	-	46.6
	Euro Area CPI Inflation, flash, yoy	January	-	2.9%
	Euro Area Core CPI Inflation, flash, yoy	January	-	3.4%
	Euro Area Unemployment Rate	December	-	6.4%
	China Caixin Manufacturing PMI, final	January	-	50.8
2 February	USA Nonfarm Payrolls	January	162k	216k
	USA Unemployment Rate	January	3.7%	3.7%
	USA Factory Orders, mom	December	-	2.6%
	USA Michigan Consumer Confidence, final	January	78.8	78.8

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